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President: Mr. Shava (Vice-President) ..... (Zimbabwe)

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Dialogue on "Coordinated support of the United Nations system to the implementation of the Istanbul Programme of Action for the least developed countries"

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The meeting was called to order at 10.10 a.m.

Agenda item 17: Non-governmental organizations

Consideration of the report of the Committee on Non-governmental Organizations

Action on the recommendations contained in the report of the Committee on Non-Governmental Organizations on its 2016 regular session (E/2016/32, Part I)

1. **The President** drew attention to the draft resolutions contained in chapter I of the report.

Draft resolution I: Applications for consultative status and requests for reclassification received from non-governmental organizations

Draft resolution II: Request for withdrawal of consultative status

Draft resolution III: Reinstatement of consultative status of one non-governmental organization that submitted its outstanding quadrennial report, pursuant to Council resolution 2008/4

Draft resolution IV: Report of the Committee on Non-Governmental Organizations on its 2016 regular session

2. *Draft resolutions I, II, III and IV were adopted.*

3. **Ms. Mendelson** (United States of America) said that there was an alarming trend of global restrictions on civic space within countries and limitations on civil society participation in the United Nations system. In the previous three years more than 50 countries had introduced or enacted measures to restrict civil society. Development required a partnership between Governments and civil society. In the United States, civil participation was not just a tool but an ethos; a spirit that infused the daily practice of citizenship. Civil society partners were among the best advocates and constructive critics who pushed to improve the domestic situation. Civil society should participate in the United Nations system and as many non-governmental organizations as possible should be accredited. Some members of the Committee had attempted to restrict civil society participation by blocking or deferring applications of non-governmental organizations on the basis of their work to improve their own domestic situations in the areas of freedom of expression, peaceful assembly or association, or religious or linguistic freedoms for minority groups that had been marginalized or even oppressed by the Government that was supposed to be protecting them.

4. During its last session, the Committee on Non-Governmental Organizations had refused to allow a non-governmental organization to speak before the Committee before denying its application. That silencing of civil society should be a concern for the Economic and Social Council and all who sought the implementation of the Sustainable Development Goals for which civil society would be critical. Member States had made an implicit commitment to respect the original intent of the Committee on Non-Governmental Organizations. It was therefore disappointing that members of the Committee were using that body to subvert the purpose of the Committee by further restricting civic space at the United Nations and blocking or deferring applications by non-governmental organizations on non-substantive grounds and attempting to silence those organizations at the United Nations.

Agenda item 11: Implementation of and follow-up to major United Nations conferences and summits

(b) Review and coordination of the implementation of the Programme of Action for the Least Developed Countries for the Decade 2011-2020

5. **The President** said that the primary objective of the dialogue was to take stock of the efforts made by the United Nations system and other multilateral organizations to implement the Istanbul Programme of Action for the Least Developed Countries for the Decade 2011-2020. It would also be an opportunity to strengthen efforts to support least developed countries and ensure that no country or person was left behind.

6. **Ms. Schroderus-Fox** (Director, United Nations Office of the High Representative for the Least Developed Countries, Landlocked Developing Countries and Small Island Developing States (UNOHRLLS)), moderator, said that the comprehensive high-level midterm review of the implementation of the Istanbul Programme of Action was taking place at a critical time after the adoption of a number of landmark agreements in 2015. It would take stock of the progress made by least developed countries in fulfilling their development aspirations; provide an opportunity to share good practices and lessons learned; identify bottlenecks; and address new challenges. The review would also strengthen the global partnership for the least developed

countries. Participants should launch initiatives and partnerships, individually and collectively, to advance the implementation of the Programme of Action.

7. United Nations system organizations were key development partners of the least developed countries and all parts of the system should be mobilized and coordinated to facilitate the system-wide implementation, follow-up and monitoring of the Programme of Action. The Office of the High Representative for the Least Developed Countries, Landlocked Developing Countries and Small Island Developing States (OHRLLS) had taken the lead in institutionalizing system-wide support for the Programme within the framework of the Inter-Agency Consultative Group for Least Developed Countries (IACG), which had been convened regularly to build synergies within the United Nations system and between that system and other international organizations. United Nations country teams should support the implementation of the Programme of Action at the country level and provide annual reports. Around 20 United Nations system entities had mainstreamed the Programme into their work. In particular, the High-level Committee on Programmes and the United Nations System Chief Executives Board for Coordination had made efforts to support the least developed countries and developed a set of guidelines and best practices as a toolkit endorsed by IACG, to be launched at a high-level event in Antalya as part of the midterm review.

8. Despite some progress, more needed to be done to ensure that the least developed countries could implement the Istanbul Programme of Action and the 2030 Agenda for Sustainable Development. There were competing pressures for the allocation of development financing and the least developed countries should remain at the forefront of the development agenda. There should be commensurate funding to allow them to fulfil their development aspirations. The United Nations system should respond to national development challenges, while taking into account the 2030 Agenda and other global development processes and extending normative and technical support. The development system should be revitalized so that it could leverage the capacity of the least developed countries. Through the 2030 Agenda, Member States had agreed to strengthen statistical capacities in developing countries, which needed to collect data and integrate them into their national programming. The United Nations system, and the country teams in particular, could play a major role in supporting least developed countries while taking into account the situation on the ground. The ongoing discussion on the long-term positioning of the United Nations development system and the quadrennial comprehensive policy review should also be considered. The midterm review of the implementation of the Istanbul Programme of Action would also be an opportunity to reflect on those issues in a comprehensive manner.

9. **Mr. Tesfachew** (Director, Division for Africa, Least Developed Countries and Special Programmes, United Nations Conference on Trade and Development (UNCTAD)), panellist, said that it was the seminal work of UNCTAD in the late 1960s that had led to the establishment of the least developed countries category by the General Assembly in 1971. Since then, UNCTAD had advanced the trade, investment, technology and development interests of those countries. Its annual report on the least developed countries focused on the policy dimensions of the areas identified in the report, including South-South cooperation; resource mobilization; and the translation of growth into employment opportunities and poverty reduction. The report had assessed the link between growth and structural transformation, and the policies needed to transform the rural economy in the least developed countries, since an average of 70 per cent of their population derived their income from agriculture and those countries were the ones where it would be most difficult to achieve the Sustainable Development Goals. Rural women were the most disadvantaged even though they made up 50 per cent of the rural labour force.

10. For the least developed countries, international trade had been a major source of public revenue, investment and capital formation. In all, 23 developing and developed countries had offered duty-free and quota-free market access to the least developed countries. Effective utilization of preferential market access would be critical for achieving the objectives of the Istanbul Programme of Action and the 2030 Agenda. The midterm review should therefore consider the trade objectives of the Istanbul Programme of Action and the Sustainable Development Goals, in particular the trade-related targets in Goal 17, which included enhancing the export performance of the least developed countries. Doubling the least developed countries' share of global exports was not an impossible task. It had already almost doubled in the previous 13 years. However, the driver of export

growth had been the commodity boom. Once prices had begun to fall, the growth and trade performance of the least developed countries had also begun to deteriorate. The midterm review should therefore also bring export diversification back to the forefront of the development agenda for the least developed countries.

11. Although the growth rate of the least developed countries between 2002 and 2011 had exceeded the 7 per cent needed to reduce poverty by half according to the Istanbul Programme of Action, poverty in those countries had in fact dropped from 65 per cent in 1990 to 43 per cent in 2014. However, that figure mainly reflected the African least developed countries, not the Asian ones. Development was not merely about economic growth and export performance. It required strategies that generated employment, improved labour productivity, and shifted resources from low-value to high-value activities. The 2030 Agenda had since raised the bar by setting a target of the total eradication of poverty while also ensuring access to water, sanitation and affordable energy, and reducing inequality. Economic growth which did not create decent jobs would be unsustainable, but job creation without the development of productive capacities and economic transformation would also be unsustainable.

12. The low utilization rate of duty-free and quota-free market access by the least developed countries should be improved, and the negative impact of regional trade agreements, most of which did not include the least developed countries, should be reduced. The midterm review should therefore call for the operationalization of the commitments made by the international community to implement preferential rules of origin for the least developed countries, which could take advantage of market access opportunities only if they were in a position to produce and deliver goods competitively, in particular through improved connectivity to markets. The cost of trade could be reduced by increasing expenditure on regional transport networks and implementing the Agreement on Trade Facilitation of the World Trade Organization, with donor support.

13. The least developed countries faced many challenges in the area of production capacity, including technological upgrades; weak domestic input; regulatory and procedural inefficiency; and a lack of information on non-tariff measures such as sanitary and phytosanitary measures and technical barriers to trade. Compliance with non-tariff measures was more costly for the least developed countries. New measures on the environment, health and in other areas, implemented with a view to achieving the Sustainable Development Goals, might further increase the cost of trade for the least developed countries.

14. The least developed countries needed to increase their exports not only of goods but also of services, an area where trade deficits had recently widened. There was great potential for service suppliers in the least developed countries to benefit from trade in services. The midterm review should therefore give a renewed impetus to the operationalization of the special treatment for services and service providers in the least developed countries, as agreed at the Ninth Ministerial Conference of the World Trade Organization.

15. The impact of export growth should be measured in terms of the extent to which it promoted social development, transformed the economies of the least developed countries, and built economic capacity. Every year, 17 million people, mostly under the age of 25, joined the labour market in the least developed countries. The midterm review was an opportunity to synchronize the Istanbul Programme of Action with the new global development agenda and rethink the strategies needed to link trade growth to jobs and structural transformation so that the benefits of trade could be spread more widely. Trade was one of the key instruments for assisting the least developed countries to move up the development ladder through enhanced integration into the international economic and trading system, and should accordingly be given special attention in the midterm review.

16. **Mr. Chase** (Senior Advisor to the Director of Operations Risk, Operations Policy and Country Services, The World Bank), panellist, said that the Istanbul Programme of Action for the Least Developed Countries for 2011-2020 was an ambitious policy agenda designed to address the structural challenges facing least developed countries in their quest to eradicate poverty, achieve the Sustainable Development Goals and ultimately graduate from least developed status.

17. The World Bank Group was strongly committed to achieving the goals of the Istanbul Programme of Action, not least because the 48 least developed countries were its core clients. In addition, support for the Istanbul Programme of Action was linked to the successful implementation of the 2030 Agenda for

Sustainable Development, the primary goals of which were eliminating poverty and promoting shared prosperity in a sustainable manner.

18. The World Bank was reshaping its work to respond to the new, increasingly complex, expensive, unpredictable and yet interconnected challenges facing least developed countries. To address situations of fragility, the dangers of a warming planet, slowed growth, rising inequality and health pandemics affecting a wide variety of clients requiring differentiated solutions, institutions like the World Bank needed partners to deliver on their development priorities, scale up assistance, enhance the science of delivery for local customization, and promote public-private partnerships as well as greater private investment.

19. Although the least developed countries were home to 12 per cent of the world's population, they accounted for less than 2 per cent of its gross domestic product (GDP) and for about 1 per cent of global trade in goods. Many were conflict-affected, and some were small island developing States: all least developed countries faced capacity and institutional constraints. As the average gross national income (GNI) per capita for least developed countries in 2014 was $844, development interventions in those countries were high risk but also high return. They required a sustained flow of concessional and long-term finance, while addressing the resource gap at the heart of all challenges facing least developed countries.

20. The development agenda of the World Bank aimed to progressively reduce the number of people living on less than $1.90 a day, from just below 10 per cent in 2015 to less than 3 per cent by 2030, and to improve the living standards of the bottom 40 per cent of the population in every country. The International Development Association (IDA), the arm of the World Bank Group that helped the world's poorest countries, had provided $22 billion in support for fragile and conflict-affected countries since 2000. Between 2010 and 2013, IDA had allocated $7.5 billion to least developed countries, or 47 per cent of its total resources.

21. While IDA had addressed certain key themes of the Istanbul Programme of Action, including sustained growth, human capacity-building and enhanced resilience, more international aid was still needed to support least developed countries with domestic resource mobilization. The efficient mobilization and management of public resources allowed governments to be more inclusive and comprehensive in delivering services and achieving sustainable development. At the third International Financing for Development Conference, the Association had pledged to provide direct technical assistance to least developed countries to improve their tax systems. IDA would also launch two tax administration diagnostic assessment missions and was working with the International Monetary Fund (IMF) and the Organization for Economic Cooperation and Development (OECD) to better coordinate tax policies.

22. In addition, illicit financial flows must be tackled, including fraud, tax evasion and the illegal exploitation of natural resources, as they reduced government revenue and thus resources for development. Work in that realm entailed measuring illicit flows, helping countries to prevent the behaviours that generated such flows, stopping illicit flows and recovering stolen assets. The Base Erosion and Profit-Shifting project aimed to increase transparency and eliminate financial safe havens. If action were taken to make tax systems more fair and efficient and to stop illicit flows, more resources could be recouped than were jointly provided through foreign assistance; in fact, 2.2 to 4 per cent of GDP could be raised by improving tax systems.

23. The World Bank was working with the international system to coordinate the implementation of the Istanbul Programme of Action with regard to infrastructure in particular. The Addis Ababa Action Agenda had agreed that multilateral development banks, including newly established banks, would play a leading role at the Global Infrastructure Forum in April 2016 in Washington, D.C, with a view to bridging gaps and ensuring coordination. It was hoped that a large number of national financial stakeholders, the infrastructure development community, multilateral and national development banks and the private sector would also collaborate to provide better access to and better quality of affordable and sustainable infrastructure services. The Forum would be critical for the least developed countries, as it would discuss better infrastructure planning and prioritization, including data and transparency; how to promote development capacities through policy support, project preparation and technical assistance; support for planning in the context of nationally determined contributions to the United Nations Framework Convention on Climate

Change (UNFCCC); strengthening sustainable infrastructure project pipelines; and promoting financing for infrastructure, including how to achieve higher levels of private sector participation. Support was growing, and in 2014 the World Bank Group had announced a 45 per cent increase in funding commitments, with $24 billion going to finance roads, bridges, energy, clean water and other critical infrastructure projects.

24. The World Bank also worked on strengthening public-private partnerships, both domestic and foreign, through mechanisms to reduce risk and operating costs for the private sector to invest in low-income infrastructure projects. In Dakar, for example, rapid growth and urban planning challenges had created congestion and strain on existing infrastructure: to address that problem, the private sector branch of the World Bank, the International Finance Corporation (IFC), was advising the Government of Senegal on how to implement public-private partnerships to build a 19 kilometre rapid transport system that would relieve congestion, strengthen urban design, revitalize the downtown harbour and contribute to climate change efforts. In Lao People's Democratic Republic, the IFC had also supported public-private partnerships to expand and maintain National Road 13. In Niger, the World Bank Group had administrated a multi-donor partnership to develop the Niger Basin climate resilience investment plan, led by Niger Basin authorities and nine Member States. The $3.1 billion outlined in the plan would benefit 112 million people across the basin, strengthening major infrastructure while improving ecosystem conservation.

25. Another means of strengthening support to least developed countries was through data. Efforts at fighting poverty had been constrained by the lack of accurate, transparent and available data. Twenty-eight least developed countries had no poverty data, or only one data point between 2002 and 2011, which prevented analysts from identifying trends, monitoring progress and helping to design necessary policies and programmes to meet the Sustainable Development Goals. In order to harness the data revolution, the World Bank Group had committed to finding resources to ensure the availability of household income and expenditure data in the 79 poorest countries, including the least developed countries, by 2020.

26. Progress should also be measured by how the lives of the poorest in each country improved. In response to the demand for cross-country comparisons, the World Bank had developed the Global Database of Shared Prosperity that included data from 94 countries for the period 2007-2012. During that period, 65 countries had seen a rise in mean income for the poorest 40 per cent of the population; in 56 countries, growth for the bottom 40 per cent had been faster than for the population as a whole. Shared prosperity was strongly correlated with overall prosperity.

27. The World Bank would also support the World Forum on Sustainable Development Data later in 2016 and launch a trust fund of $100 million for technological innovations, with a view to triggering lasting changes in data production, access and use.

28. Human development was a strong foundation for all of the Sustainable Development Goals. In Ethiopia, the World Bank had partnered with the national Government to finance the largest social safety net operation in Africa, which had benefited 8 million people per year during the previous decade and improved the lives of rural and food-insecure households, as well as disaster risk management.

29. In Afghanistan, the World Bank had helped to improve the health system over the previous 12 years, producing a drop in child mortality and greater coverage of qualified care in rural areas. Although the World Bank had accomplished a great deal in partnership with other United Nations agencies and clients, it could still do more to support least developed countries. At its institutional core the World Bank was committed to eliminating extreme poverty and promoting shared prosperity in a sustainable manner. The World Bank looked forward to the High-level Midterm review of the implementation of the Istanbul Programme of Action and hoped to learn how the international community could better coordinate and better support the needs of least developed countries to ensure sustainable development.

30. **Ms. Schroderus-Fox** (Director at the Office of the High Representative for Least Developed Countries, Landlocked Developing Countries and Small Island Developing States), said that the successful implementation of the Istanbul Programme of Action hinged on addressing the resource gap, taking into account the present circumstances and the increased competition for limited resources available.

31. **Mr. Omilola** (Head of Development Planning and Inclusive Sustainable Growth Team, United

Nations Development Programme (UNDP)), speaking on behalf of **Mr. Odusola** (Chief Economist and Adviser, Regional Bureau of Africa, United Nations Development Programme), panellist, said that the Istanbul Programme of Action underlined the role of productive capacity as a development multiplier, which posed obvious challenges with regard to industrialization in least developed countries. Least developed countries consistently raised that issue in different forums, including trade-related discussions at the World Trade Organization (WTO), in the context of multilateral trade negotiations, and both regionally and bilaterally in economic partnership negotiations with the European Union.

32. UNDP collaborated at two levels: nationally, by supporting the mainstreaming of the Istanbul Programme of Action into the national plans and programmes of least developed countries, and at the United Nations system level, by helping to mainstream the Istanbul Programme into the work programmes of the funds, programmes and specialized agencies of the United Nations.

33. UNDP allocated significant resources to programme activities in vulnerable countries. In 2002, it had budgeted more than $2.6 billion to support least developed countries, landlocked developing countries, and small island developing States. Between 2008 and 2012, about 50 per cent of UNDP resources had been allocated to least developed countries to address poverty and the Millennium Development Goals (MDGs), democratic governance, crisis prevention and recovery, and environment and energy work. UNDP provided tailored support to least developed countries, ranging from analytical studies to the facilitation of policy dialogues at the country and regional level to identify approaches to graduation, better coordinate and engage development partners, ensure smooth transitions, conduct graduation impact assessments and formulate policy and legal frameworks that were supportive of graduation and development strategies.

34. Most of the least developed countries currently meeting graduation criteria were in the Asia- Pacific region. Since 2012, UNDP country offices and the Bangkok Regional Hub, alongside other agencies, had supported Bhutan, Lao People's Democratic Republic, Myanmar and Nepal on graduation from least developed status.

35. UNDP had four main objectives. The first objective was to advise least developed countries to integrate graduation goals and the Sustainable Development Goals into comprehensive national strategies. In Lao People's Democratic Republic, the organization had met with the Government to ensure that priority areas for improvement were integrated into the new national five-year plan, submitted for approval in May 2015. The second objective was to build capacity for improved monitoring and statistical capability. In Myanmar and Nepal, UNDP was working to foster understanding of the implications of graduation from least developed status and to support consensus-building, both within and outside the Government. The third objective was to facilitate South-South exchanges among least developed countries, as exemplified by the exchanges between Bangladesh and Nepal. The fourth objective was to identify the financing requirements associated with least developed country graduation strategies, with a view to better supporting resource mobilization and realistic development planning. The Bangkok Regional Hub had launched a regional project to monitor development finance and aid assessment.

36. UNDP was providing specific support to four countries currently trying to graduate: Angola, Cabo Verde, Equatorial Guinea and the Maldives. In Angola, which had been recommended for graduation in 2015 by the Committee for Development Policy, UNDP had set up a multidisciplinary technical mission to consult with stakeholders and generate support for graduation. In 2014, the Government had participated in the Ministerial Conference on New Partnerships for Productive Capacity-Building in Least Developed Countries. UNDP had also facilitated South-South exchanges between Angola and a number of other countries.

37. In Cabo Verde, UNDP had supported the formulation of a graduation strategy to ensure a smooth transition; a policy dialogue was organized to present the strategy to the international community, with a view to establishing support from bilateral and multilateral donors for graduation. UNDP had also organized informal aid coordination meetings with all resident partners and extended support to advocate for debt alleviation and capacity-building in trade. A debt strategy was elaborated and recommendations were made; thanks to the project formulation support provided by UNDP, the Government was able to

mobilize funding from the Enhanced Integrated Framework (EIF).

38. Equatorial Guinea had been recommended for graduation in 2009 by the Committee for Development Policy and was currently scheduled to graduate in 2017. UNDP was helping to draft strategies to enable a smooth transition from least developed status and providing support by convening high-level and technical meetings with Government officials. It was also formulating briefings on graduation criteria and analytical work regarding the implications of the fall in oil prices for the country's future.

39. In the Maldives, UNDP had advocated for time-conscious preparations for graduation by establishing a governance mechanism to support the implementation of a graduation road map. UNDP had also facilitated the delivery of United Nations Conference on Trade and Development (UNCTAD) and United Nations Economic and Social Commission for Asia and the Pacific (ESCAP) support in drafting the road map. An interministerial working group, led by the Ministry of Foreign Affairs, had been conducted. UNDP had also undertaken economic and poverty assessments with regard to the implications of graduation.

40. Sustainable development must be a focus area in the strategic plans of least developed countries and encompass trade, productive capacity, environment mainstreaming and green growth. The work of UNDP on trade and productive capacity focused on value addition, integration into the global value chain and trade policy advice. Its support for building productive capacity came primarily through the UNDP private sector portfolio, with a strong focus on strengthening inclusive work value chains and promoting sustainable business approaches in economic sectors of strategic importance.

41. Through the regional Africa Facility for Inclusive Markets, UNDP supported cross-border value chain initiatives and strengthened the capacity of the regional economic commissions to further enable inclusive market development. The portfolio, including the activities of UNDP affiliates such as the United Nations Capital Development Fund, accounted for $100 million annually and aimed to enhance the contribution of the private sector, including micro, small and medium-sized enterprises to trade growth and poverty reduction.

42. In Uganda, more than $2.6 million had been provided for an agricultural development strategy to connect farmers to markets. The project had also helped farmers to improve productivity and the quality of their products. Based on the analysis and assessment of various indicators, including market potential and inclusiveness, three commodities had been chosen for focus.

43. UNDP also provided support to extractive industries; since 2012, it had supported 17 least developed countries in that area. In Burundi and Lesotho, for example, UNDP had actively supported the development of comprehensive gas, mining and oil policies with transparent government structures. In Cambodia, UNDP had supported the development of the mining and petroleum sectors through capacity development, policy dialogue and knowledge-sharing. In partnership with the EIF, UNDP assisted least developed countries to improve their business and investment environments to promote entrepreneurship and industrialization. It also supported the implementation of the EIF at the country level, with an emphasis on trade, diagnostic and needs assessment; mainstreaming trade in national development strategies; and understanding capacity assessments of trade-related institutions that could help to identify institutional constraints hampering trade.

44. UNDP also worked on environment mainstreaming and green growth, including through the Poverty-Environment Initiative, a global programme run jointly by UNDP and the United Nations Environment Programme (UNEP) to support country-led efforts to mainstream poverty- environment initiatives into national and sub-national development planning, from policymaking to budgeting, implementation and monitoring. One of the main objectives of the programme was ensuring sustainable pro-economic growth.

45. Overall, UNDP had supported many countries to graduate from least developed status and build sustainable development partnerships.

46. **Mr. Hassan** (Director, Macroeconomic Policy and Financing for Development Division, United Nations Economic and Social Commission for Asia and the Pacific (ESCAP)), panellist, speaking via video link, said that the overarching goal of the Istanbul Programme of Action was to overcome the structural challenges faced by least developed countries in order

to eradicate poverty, achieve internationally agreed development goals and enable graduation.in particular by reducing the number of least developed countries in half by 2020.

47. In early 2000, ESCAP had helped the Maldives to develop a six-year plan that enabled the nation to graduate from least developed country status. In another show of long-standing support, UNDP and ESCAP had extended their trilateral partnership with the Asian Development Bank (ADB) that had produced the progress report on MDGs in the region to help the Maldives achieve the Sustainable Development Goals.

48. ESCAP had long supported least developed countries, especially with normative work and capacity-building. The number of least developed countries in the ESCAP region had dropped from 14 in the early 2000s to 12. According to recent analyses, 7 out of those 12 countries currently met the criteria for graduation, while another 3 were only 5 per cent from meeting the criteria. Least developed countries in the region were growing at 6.3 per cent, which was higher than the average growth rate of developing countries in the otherwise very dynamic region. Despite the global and regional slowdown, ESCAP was pleased that those countries were performing reasonably well.

49. The 2015 report on countries with special needs, which included all of the least developed countries in the Asia-Pacific region, had focused on productive capacity-building and economic diversification. The different prospects of countries were identified in a detailed ways, including which products to promote and how to diversify; in Bangladesh, for example, over 240 items had been identified as prospects for productive capacity-building.

50. The newest report, which would be published in May 2016, focused on the adaptability of the Sustainable Development Goals and the 2030 Agenda for Sustainable Development and included a review of the graduation status of countries with special needs. Using network analysis, the optimal pathway for each least developed country to achieve the Sustainable Development Goals was determined. However, as data availability was still limited, the statistics division of ESCAP was working on improving the data situation. Based on the data available, nonetheless, it had been determined that the optimal pathway for Bangladesh to achieve the 2030 Agenda was to focus first on the social sector (human capital, health), and then on infrastructure. For landlocked Kazakhstan, however, the inverse was true. The report additionally provided concrete ways to achieve those objectives.

51. With a focus on capacity-building, ESCAP had engaged in Sustainable Development Goal modelling; in December 2015, it had led its first capacity-building workshop on statistical modelling. Experts from China, India and other developing countries had come to help the least developed countries plan their adaptation of the Sustainable Development Goals into national processes.

52. ESCAP was also focusing on financing in the region and supported UNDP, regional development banks, and host countries. The recent First High-Level Follow-up Dialogue on Financing for Development in Asia and the Pacific had drawn over 200 participants from over 40 different countries, including finance ministers, the heads of central banks, experts and members of the private sector and civil society organizations. The three priorities for discussion were tax cooperation matters and the capital markets regulatory framework; infrastructure financing; and inclusive financing.

53. With regard to tax matters, the tax-to-GDP ratio in the region was low compared to other regions, hovering around 14 to 15 per cent, and there was scope to broaden the tax base. By broadening their tax bases and increasing the ratio by 3 to 5 per cent, many countries (including least developed countries) would be able to achieve the Sustainable Development Goals. The possibility of a tax forum was explored, where such issues as tax-to-GDP ratio, the exchange of information among countries, tax competition issues and capacity-building could be discussed. Least developed countries needed help to deal with corruption and tax administration; a forum to discuss such issues would therefore be useful.

54. In the ESCAP region, the capital market was very thin and there were very few stock markets where long-term financing could be generated. Countries should engage in discussion to share their experiences and mobilize long-term capital. Currently, infrastructure financing was being conducted through the banking sector, which was unsuitable because of a high bank deficit-to-GDP ratio in the region.

55. Inclusive finance was very important, especially for least developed countries. A good example had been set by Bangladesh, which had done pioneering

work in the area and shared the lessons learned with other least developed countries for replication.

56. In May 2016, ESCAP would host a special intergovernmental forum on the least developed countries, landlocked developing countries and small island developing States where regional leaders would be able to discuss the adaptability of the 2030 Agenda. The Commission would actively participate in the Midterm Review and hoped it would provide a new global direction for least developed countries.

57. **Ms. Schroderus-Fox** (Director at the Office of the High Representative for Least Developed Countries, Landlocked Developing Countries and Small Island Developing States), said that it was encouraging that the number of least developed countries in the region had dropped from 14 to 12. The maximum possible support should be provided to ensure the growing trend of countries graduating from least developed status.

58. **Mr. Rahman** (Head, Least Developed Countries Unit, World Trade Organization (WTO)), panellist, speaking via video link from Geneva, said that, at WTO, support for least developed countries involved technical assistance and capacity-building initiatives. In both areas, progress had been made. The WTO work programme for the least developed countries addressed systemic issues in the multilateral trading system through a commitment to looking at the trade-related aspects of the Istanbul Programme of Action. Following the adoption of the Programme, a services waiver was adopted to enable States to offer preferences to services and service suppliers from the least developed countries. Accession to WTO was a challenging process but four of the least developed countries had acceded to WTO, namely, the Lao People's Democratic Republic, Samoa, Vanuatu and Yemen. Another two of the least developed countries, namely, Afghanistan and Liberia, had completed the accession process and should join WTO soon. Six other least developed countries were currently in the accession process.

59. Multilateral guidelines on preferential rules of origin had been adopted with a view to facilitating qualification for preferential market access by the least developed countries. Member States had also been asked to improve duty-free and quota-free coverage for products from the least developed countries. Nearly all developed countries currently provided such access. The Bali Package, the trade agreement adopted at the Ninth Ministerial Conference of WTO, also included a decision to encourage Member States to offer preferences to the least developed countries in the area of services. The Bali Conference had also devoted special attention to cotton because of its importance to countries in West Africa and elsewhere, and WTO would continue to work towards the reduction of domestic subsidies for cotton production within the framework of efforts to strengthen the rules-based multilateral trading system. Member States had been provided with directions on how to improve rules of origin associated with preferential schemes for the least developed countries. The 2015 decision on the services waiver stipulated that WTO members would facilitate market access for least developed country services and service suppliers, and the waiver period would be extended from 15 years to 19 years. WTO members had also taken action by allowing extensions of transition periods for the least developed countries to comply with WTO agreements. Under the Trade-Related Aspects of Intellectual Property Rights agreement, the least developed countries had been granted a unique 17-year transition period to comply with obligations relating to pharmaceutical patents.

60. The least developed countries were associated with more than 40 per cent of the technical assistance provided by WTO. Member States had reformed agricultural trade rules by eliminating agricultural export subsidies so that the least developed countries would have consistently a level playing field. The trade facilitation agreement reached in Bali would bring a higher level of transparency and predictability to customs processes around the world. Only 30 more ratifications were needed for the agreement to enter into force.

61. The challenge was to integrate the least developed countries into global trade. However, the steep decline in commodity prices would influence the least developed countries' share of exports, which remained stubbornly at 0.6 per cent. With engagement from the least developed countries, they should achieve more in the areas of duty-free and quota-free market access; rules of origin; and trade in services.

Interactive discussion

62. **Mr. Elias** (Bangladesh) said that the least developed countries must receive the differential and preferential treatment that they deserved as the most

marginalized and vulnerable countries in the world. Trade could play a key role in helping the least developed countries to meet the criteria for graduation. However, duty-free and quota-free market access was not enough. There was also a need to build productive capacity, and transparent rules of origin would provide meaningful market access. The United Nations system should support least developed countries on the issue of rules of origin. The World Bank Group played an important role, but least developed countries were poorly represented in its decision-making processes. That situation should be rectified. In addition, income was just one of the seven categories used to identify least developed country status, and the World Bank Group should take that into account in its work programmes.

63. In the area of resource mobilization, the United Nations system could provide support for the least developed countries on tax collection mechanisms, although tax policies were sovereign issues. The World Trade Organization had been helping the least developed countries through a strong statistical base and information support but more tangible support in the area of accession would be welcome. More generally, WTO should develop a work programme that was more favourable for least developed countries. Similarly, all United Nations regional commissions should continue to provide support to least developed countries.

64. UNDP should continue to place priority on least developed countries, despite efforts to dilute that support. Resource allocation to the least developed countries needed to be predictable and incremental. Otherwise it would be difficult to ensure that half of the least developed countries met the graduation criteria.

65. **Mr. Altınörs** (Observer for Turkey) said that the midterm review of the implementation of the Istanbul Programme of Action was a landmark in the sustainable development process of the least developed countries. The Istanbul Programme of Action provided a robust framework for collective action and cooperation. Therefore, its effective and timely implementation was important, especially following the adoption of the global development agenda. The United Nations system should respond to the needs of the least developed countries by mainstreaming strategies, ensuring coherence and addressing the resource gap.

66. The leading role of UNOHRLLS required adequate resources and support from the United Nations system. The heads of United Nations agencies, funds and programmes should participate in the forthcoming midterm review in Antalya.

67. **Mr. Carey** (United States of America) said that it would be interesting to know how the United Nations development system and other multilateral organizations could continue to focus on the least developed countries at a time when there were increasing demands from other groups of countries in special situations, from regional groups and from other countries in different income categories to meet the Sustainable Development Goals.

68. Regarding the long-term position of the United Nations system, he asked to what extent work on trade and capacity-building was coordinated with national programmes, in particular at the country level, and how coordination could be incentivized. It would be useful to know what reform initiatives were geared towards improving coordination and coherence within the United Nations development system specifically with respect to the least developed countries.

69. **Mr. Zhang** Yanhua (China) said that, in light of the specific national conditions and needs of the recipient countries, the national and regional offices of United Nations agencies should better mobilize their potential while taking advantage of their knowledge of the situation in the field to put forward initiatives. There should be better coordination between United Nations agencies and relevant international organizations to achieve synergy in the joint effort to promote the development of the least developed countries.

70. **Mr. Rahman** (Head, Least Developed Countries Unit, World Trade Organization (WTO)) said that the challenge of keeping a focus on least developed countries would not be an issue in WTO, which was a rules-based organization that had agreements of which the implementation was overseen by Member States. Developed countries, developing countries and least developed countries were the three categories of countries recognized by WTO, but there were special cases such as small economies that had not led to the creation of a new category. The secretariat of WTO had developed a special unit for the least developed countries, and was the first port of call for their ambassadors. Issues relevant to least developed

countries would remain a priority for WTO members, who wished to help them improve their participation in world trade above the current 1 per cent level. Guidelines on accession had been developed by WTO but it was the responsibility of the least developed countries to negotiate the terms of their entry to WTO with their trade partners.

71. **Mr. Hassan** (Director, Macroeconomic Policy and Financing for Development Division, United Nations Economic and Social Commission for Asia and the Pacific (ESCAP)), speaking via video link, said that in order to maintain focus on least developed countries, especially in the context of the Sustainable Development Goals and other global agendas, ESCAP had a dedicated unit for the 33 countries with special needs, which included the least developed countries. It also had an intergovernmental body that would participate in the ministerial segment and prioritize the needs of least developed countries.

72. The upcoming report on countries with special needs would focus on the adaptability of the Sustainable Development Goals, not only in terms of countries, but also their national plans. The document would look at how the Goals could be adapted in national plans so as not to jeopardize their implementation.

73. The Sustainable Development Goals were very data-intensive. In many of the countries with special needs, including the least developed countries, there were insufficient data and analysis. ESCAP focused on the capacity-building of least developed countries to help them analyse, monitor and plan properly to achieve the Goals.

74. **Mr. Omilola** (Head of Development Planning and Inclusive Sustainable Growth Team, United Nations Development Programme), speaking on behalf of **Mr. Odusola** (Chief Economist and Adviser, Regional Bureau of Africa, United Nations Development Programme), said that UNDP had supported the least developed countries with $2.6 billion in 2012. Between 2008 and 2012, it had also allocated 50 per cent of its total resources to least developed countries, and would continue to do so. The proposal of increasing UNDP support for least developed countries to 75 per cent, as suggested by Bangladesh, would be communicated to senior managers.

75. In terms of the implementation of the Sustainable Development Goals, UNDP was focused on the least developed countries and those lagging behind, in keeping with the "leave no one behind" agenda. UNDP believed in supporting those who had been excluded or otherwise marginalized and were not participating in the growth process of their countries.

76. UNDP had learned from what it had accomplished during the MDG era in terms of planning, monitoring, reporting, data analysis and capacity-building. With the United Nations Department of Economic and Social Affairs, UNDP had launched an inter-agency task team to monitor the national implementation of the Sustainable Development Goals, with a focus on the least developed countries. UNDP had also been working with many other United Nations agencies to ensure that a common agenda was harmonized across the board in support of the least developed countries, as illustrated in the Poverty-Environment Initiative. UNDP coordinated with other agencies as much as possible, including at the country level. Moving ahead with the implementation of the Sustainable Development Goals, all United Nations agencies on the ground must harmonize their work.

77. UNDP would continue to work closely with other agencies to help least developed countries with capacity-building, South-South exchanges, integration into the global economy, value chains and market assets. The productive capacity of least developed countries must be increased so that those countries could gain significantly from global trade, but also add value to their products. Many least developed countries were still producing primary commodities amidst a current climate of falling commodity prices.

78. One key area for further cooperation and investment was in helping least developed countries to graduate quickly, and in trying to understand the risks that existed after graduation. Ultimately, the primary focus of UNDP was to eradicate poverty and reduce inequalities.

79. **Mr. Chase** (Senior Advisor to the Director of Operations Risk Policy and Country Services, The World Bank), said that the particular focus of the 2030 Agenda was on eliminating poverty: helping those who lived on less than $1.90 a day and promoting shared prosperity in a sustainable manner. That goal would be achieved by working as a cooperative of nations on a country-by-country basis. The core client group of the World Bank was the least developed countries.

80. Responding to the representative of China, he said that in order to come up with well-focused proposals, the World Bank conducted systematic country-by-country diagnoses of how to address poverty and promote prosperity and created a tailored framework for the best approach.

81. Responding to the representative of the United States of America, he said that it was necessary to ensure that there was a strong, integrated approach across agencies. That approach must be country-driven, and the countries in question must exert a strong influence, ultimately driving the process that brought together many United Nations agencies. In addition, the approach must be focused on problem-solving. In Ethiopia, for example, 12 United Nations agencies and bilateral donors had worked together to address food insecurity.

82. The World Bank would maintain its strong focus on least developed countries. Some of the power rested in the hands of the countries themselves, however. The Bank was currently replenishing its IDA concessional funding, which was almost exclusively allocated to least developed countries. As IDA funding was viewed as an important resource by many of those countries, it was hoped that the international community would successfully replenish it.

83. In response to the representative of Bangladesh on the question of having a voice in the World Bank, he said that a deep and probing discussion was currently underway to find a dynamic formula on voice and representation that would include contributions to the global economy, the resources of least developed countries, the challenge of resilience in the face of climate change, and the special needs of small States.

84. **Mr. Tesfachew** (Director, Division for Africa, Least Developed Countries and Special Programmes, United Nations Conference on Trade and Development (UNCTAD)) said that the Sustainable Development Goals were universal and very ambitious. Accordingly, they would be resource-intensive. UNCTAD was preparing for the next quadrennial ministerial conference in Nairobi. Middle-income countries were raising issues of how they could be supported. In particular, the group known as structurally weak small economies was made up of developing countries that were not poor enough to be least developed countries but not rich enough to be middle-income countries.

85. In the review by UNCTAD of the Millennium Development Goals, only one country, namely, the Lao People's Democratic Republic, had achieved all the seven goals in the area of water and sanitation. The Sustainable Development Goals would be even more challenging for the least developed countries, where 46 per cent of the population still lived on less than $1.25 per day. The battle for the agenda would be won or lost in the least developed countries.

86. Regular reporting to the governing body of UNCTAD was helpful and country-driven processes were critical. However, coordination was not so simple and tended to happen at the national level, especially when resources were the incentive and were provided with conditions. A good example was with graduation. Many agencies were helping the least developed countries with graduation, but each agency had a different standpoint, and might therefore provide conflicting information. Accordingly, OHRLLS should take responsibility as a global coordinating body.

The meeting rose at 12.50 p.m.